

ESTIMATE OF THE INTERNATIONAL SITUATION

March 1952

I. Developments in 1951.

1. In the field of international policy, the year 1951 was marked by the attempt of the USA to catch up with the USSR in Europe and Asia in the political and military fields, reinforcing its own armed forces, aiding the rearmament of the free nations of Europe, including Turkey, concluding a peace treaty with Japan, and organizing security pacts with Japan, Australia, New Zealand and the Philippines. During the same year the USSR attempted to fortify its positions, initiate the conquest of an area in the Near East which, in the event of an armed conflict, could serve as a glacis for political and strategic operations, and to consolidate its conquests in the Far East. All these Soviet measures simultaneously worked to counteract the efforts made by the USA and the countries in western Europe to achieve a balance of power.

2. In early 1951 the international interest in Europe focused on the problem of western Germany's contribution to the defense of the West. The USSR made numerous diplomatic moves against this defense contribution, sending a number of notes to the USA and instigating Poland and Czechoslovakia,

Potsdam agreement the Soviets also demanded that a four power conference be held to discuss the problem of Germany. They rendered the preliminary conference a failure as they apparently considered the problem of the German defense contribution less urgent during the first six months of 1951 and believed that they would be able to avert the danger of rearmament in Germany by the employment of other means, specifically, by launching a propaganda campaign against the peoples of western Europe. For this purpose they mobilized the Communist parties in the West as well as all large international organizations such as the World Federation of Labor, the World Peace Council, the World Union of Democratic Youth, the International Democratic Federation of Women, the European Union of Laborers and similar Communist front organizations. Signatures were collected throughout the world as a campaign "for peace" was directed against both the remilitarization of Germany and the "aggressive" Atlantic Pact in general.

The Policy to rearm Germany was countered by the East with the demand that Germany be reunited. This policy was expressed in Grotewohl's letter, dated 30 November 1950, and has since been given every possible propaganda support. The Soviet Zone government attempted to create the impression that it was earnestly interested in the reunification of Germany by democratic means, maintaining that rearmament in western Germany would make reunification impossible and would create the danger of an internecine civil war. The spuriousness of this propaganda was proved, however, by the progressive sovietization of the East Zone of Germany as well as the satellite countries.

~~SECRET~~

3. In the Satellites the USSR tried to consolidate its position by extensive purges. Most significant among them was the arrest, in November 1951, of Rudolf Slansky, powerful secretary general of the Communist Party of Czechoslovakia, and a number of his henchmen. Clementis, former Czech foreign minister, had already been arrested several months earlier.

These purges are evidence that the Moscow-imposed regime is viewed with disappointment even by members of the Communist parties. However, there is no reason to believe that the Kremlin's rule is imperiled in the Satellite countries although, in the event of an international conflict, the Soviets would not be able to trust the reliability of these countries. There have been indications, particularly in Poland, that Russia has recently become aware of the efficiency of persuading rather than forcing the Satellites and that a change of policy from one of terror and force to one of persuasion and propaganda is in the offing.

4. In the Far East the USSR made efforts to strengthen its close political relations with Communist China, granting the Chinese "volunteers" both economic and arms aid during the war in Korea, but at the same time avoiding direct involvement in the conflict. The initiation of armistice negotiations was suggested by the Soviets. It cannot be determined as yet whether the Soviets are serious in their efforts to obtain an armistice or whether they merely seek a respite in order to be able to replenish Chinese stockpiles with arms, ammunition, equipment and supplies or wish to exert political pressure to attain their political goals.

The Soviet Union's opposition to a rehabilitated and rearmed Japan was just as strong as its opposition to rearmament in western Germany. The peace treaty which was concluded with Japan in San Francisco spelled a serious political defeat for the Soviets. In other respects, the USSR attempted to appear to the peoples in Asia and Africa as a protagonist of their national freedom. Thus, it exerts every possible effort to create difficulties for the western powers in Indo China, Malaya, Burma, Indonesia, the Philippines, the Middle East and, more recently, in North Africa. Russia warned the Arab countries and Israel not to accept the proposal of the three western powers and Turkey for a joint Near East Command. Sympathies were also expressed for Persia's action against the Anglo-Iranian Oil Company and Egypt's demands for the abrogation of the Anglo-Egyptian agreements of 1936 and 1899.

II. The Situation in Early 1952.

1. Although the rearmament program of the western World is well under way, western Europe, at present, is by no means able to withstand aggression from the East. The USA blames a number of countries in western Europe for their tardiness in making the necessary defense contributions and urges that the rearmament program be accelerated. The countries in western Europe, on the other hand, fear that if they attempt to keep pace with the American rearmament effort they would face grave economic troubles, particularly inflation and its concomitant - social disturbances and increased radicalism. Averell Harriman, US special envoy, was appointed to negotiate a compromise.

The position of NATO was much better in early 1952 than it had been one year ago. Owing to General Eisenhower's energy much headway was made in the field of internal organization. The admission to NATO of Turkey and Greece as well as the voiding of the rearmament restrictions which had been imposed upon Italy improved the situation of the western powers in the Mediterranean and the Near East. Their position was also improved outside NATO when the USA concluded an arms-aid agreement with Yugoslavia, thus making it a substantial factor in the western defense system. It is problematical, however, whether this factor will remain constant. Rearmament in Turkey appears to be making satisfactory progress. A military agreement between the US and Spain is imminent. American air bases in Morocco are being continuously improved, and the new state of Libya attained significance as a major western bastion in the Mediterranean as a result of agreements signed with the US, Great Britain and France.

2. Arab nationalism in the Middle and Near East exploded in conflicts with the old colonial powers. Just as in South East Asia, the USSR lent skillful propaganda support to these clashes and attempted to assume the role of a friend of these countries. Although the Islamic countries are not fertile soil for Communism, the attitude of the extreme nationalists, who apparently are successfully penetrated by MGB agents, produced a situation which is a positive for the East as it is negative for the West. In this respect the extremes meet. All the skill of western diplomats and much sympathetic understanding of the problems of oriental countries and peoples will be needed to prevent the Near East from joining the Soviet camp under the cover of a policy of neutrality. It is scarcely possible to exaggerate the seriousness of this danger.

3. Integration in western Europe is still in the embryonic stage. The partial economic integration of the coal and steel industries under the aegis of the Schuman Plan and the establishment of a European Army as a first step in political integration are making slow progress. Up to the present, it has not been possible to overcome the difficulties involved in the establishment of political agencies with command functions over the European Army or a sound financial basis for this army. Although the Ohne-mich-Bewegung (Count-me-out movement) subsided somewhat, a persistent Soviet propaganda campaign made large groups in western Germany believe that there is but one alternative, namely, the danger of rearmament and civil war on the one hand and reunification of Germany on the other. Evidence of the success of this type propaganda is to be found in the travels of Pastor Niemöller to Moscow and of ex-Reich Chancellor Wirth to East Berlin, as well as the establishment of the Notgemeinschaft fuer den Frieden Europas (Emergency Organization for the Maintenance of Peace in Europe) which was organized by ex-Minister of the Interior Heinemann and Helen Wessel, Chairman of the Center Party. These are successes which the Soviets attained through propaganda designed to blind the population in western Germany to the actual situation.

4. The fight for East Asia has meanwhile been carried on with all means of diplomacy, political and economic pressure, civil war and propaganda. The conflict in Korea came almost to a standstill when the two

partners reached a balance of their forces. Both partners showed interest in the conclusion of an armistice. However, this may only be a maneuver to gain time. The US government undoubtedly strives to terminate or, at any rate, to localize the war, and probably prompted by the desire not to create a second Korea, indicated a certain reserve when the British and French made requests for increased American aid against the Communist enemy in Indo China, Burma and Malaya.

III. Estimate of the Situation.

1. Soviet Russia's policy after World War II has had both its successes and failures. While the Soviets were able to win the Satellite countries and China for the Eastern Bloc, they lost Yugoslavia, which they had already won, were unable to enlist Greece and Turkey, suffered defeat when they clamped the blockade on Berlin, and failed to win the Blitzkrieg in Korea. However, their increased political activities in the Far East and Near East were so successful that the Soviets hope they will be able to reap the fruits of this policy without further effort.

The present Soviet foreign policy may be considered a long term policy. The situation in Korea obviously proved a surprise to the USSR inasmuch as they saw themselves faced with the immediate danger of a third World War. They have learned their lesson, and well aware that their military power would possibly suffice to obtain initial successes but not final victory over the considerably superior economic and armament potential of the West, the Kremlin seems to have restricted its goals and postponed its dates for the final attainment of its ends. Judging from the international situation, there is little probability that the USSR will unleash an aggressive war. This estimate is supported by the following reflections and observations:

- a. The mentality of the Soviet leaders invariably tends to prefer political means to the employment of military force.
- b. In accordance with Marxian teachings, Soviet leaders believe that time is working in their favor and capitalism must eventually destroy itself in the wake of increasing economic crises which, under the burden of rearmament, are compounded and accelerated.
- c. Although exercising complete command over the Satellite countries in peace time, the Soviets must expect that, in the event of a long war and possible military successes by the West, they will face considerable difficulties of all sorts in these countries. In 1952 Russia is believed to be continuing its fight for time. Accordingly, the Soviets will continue to conduct peace campaigns to encourage people in the capitalistic countries to oppose their "warmongering" governments, spread hatred against

foreigners in Asia to bar the West more and more from these areas, sow discord among western countries and peoples through the media of UNO and diplomatic propaganda in order to dissipate and retard the defensive power of the West.

- d. As long as there is no risk of becoming involved in a world-wide international conflict, the Soviets will not even avoid starting or supporting small-scale actions which they believe could splinter and wear down the military forces of the West.

2. In 1952 the West will continue its program of integration in Europe and an improved defense system and thus will induce the East to employ all of its diplomatic and Cold War tactics to frustrate these efforts. All available information tends to indicate that the growing strength of the West and western Germany's participation in the Europe Army will not be considered a *casus belli* for war in 1952. Frequent procrastination among western planners and the rate at which rearmament in western Europe is progressing should convince sober-minded Stalin that it would be unrealistic for the Soviets to fear an attack by the Atlantic Community.

3. Critical situations imperiling peace could develop if the USSR should carry its policy to an extreme which could not be reconciled with the prestige and actual power status of the western countries, particularly the USA. Communist China would give support to the rebels in Indo China and Southeast Asia. Developments in the Near East, particularly Iran, would continue in a direction unfavorable to the West. Any political estimate must also take into account the fact that the international situation is still a powder barrel which might explode from some unforeseen and quite casual spark.

4. Since the western powers are aware of these dangers, there is a possibility, though only a small one, that they may again make another attempt to achieve at least some sort of political armistice in the cold war between East and West through negotiations on the highest level. However, the only real chance of western success at such negotiations would be dependent on the actual strength of the West, both political and military, which would convince Moscow that Soviet military aggression would be doomed to failure at the beginning. Hence, the West must persist in its policy of improving its balance vis-a-vis the Eastern Bloc with all means and at an accelerated speed in Europe as well as Asia.

~~SECRET~~